

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

> GARY R. HERBERT Lieutenant Governor

> > January 10, 2007

James Lekas Lexco, Inc. 582 North Vernal Avenue P. O. Box 1198 Vernal, Utah 84078

Subject: Formal Approval of Notice of Intention to Commence Large Mining Operations

and Form and Amount of Reclamation Surety; Lexco, Inc.; Cottonwood Mine;

M0470064; Tasks 109, 655, and 1464; Uintah County, Utah

Dear Mr. Lekas:

On November 27, 2006, Division Director John Baza signed an agreement with the Bureau of Land Management concerning the reclamation surety being held by the Bureau of Land Management for the Cottonwood Mine. The reclamation contract was signed November 17, 2006. Copies of these documents are enclosed. You now have the Division's final approval to begin mining operations.

A copy of the approved Notice of Intention to Commence Large Mining Operations is also enclosed for your use. This copy has been stamped with the approval date. In the future, if you need to modify the notice, please furnish a redline/strikeout version of the page(s) you wish to change and indicate how these are to be incorporated into the current approved plan using form MR-REV which is located on the Division's web page at www.dogm.utah.gov.

Thank you for your help and patience in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,

Susan M. White

Mining Program Coordinator

Juan M. White

Minerals Regulatory Program

SMW:PBB:pb

Enclosures: Reclamation Contract

BLM Agreement

Notice of Intention

Stan Perkes, State BLM Office

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